Manitoba Hazardous Waste Management Corporation

THIRD ANNUAL REPORT

1989

91-01457/

COVER

The cover illustrates the "4-R's" of Reduction, Reuse, Recycling and Recovery with their significance as the primary thrust of responsible waste management.

- Reduce agricultural chemical residues by properly rinsing the containers.
- Reuse household hazardous wastes, by practices such as decanting solvents, to minimize pollutants going into municipal landfills and sewers.
- Recycle paper into a variety of products including building materials.
- Recover silver by electrolysis from photoprocessing fixer so that the chemical can be reused and, eventually, safely decontaminated for proper disposal.

ISSN 0838-4932
LITHO'D IN CANADA ON RECYCLED PAPER

HIGHLIGHTS

During the year, the Corporation completed the assembly of the basic information necessary to define the hazardous waste management system required for the province.

A waste market of about 180,000 tonnes per year, most of which can be managed at source, has been identified.

"... a waste market of 180,000 tonnes per year, most of which can be managed at source"

Off-site management will be needed for approximately 23,000 tonnes per year with most organic materials being exported. The inorganic materials can be treated and disposed of in the province.

The major developments required include a storage/transfer facility in or near Winnipeg and a central treatment plant for inorganic material. The treatment plant could be located either in combination with the storage/transfer facility or elsewhere in southern Manitoba.

During 1989, more than 40 municipalities expressed interest in the development with a number, including Winnipeg, working jointly with the MHWMC in the investigation of hosting these facilities.

CONTENTS

Environmental Policy Statement **3**
Corporate Profile **3**
Chairman's Message **4**
President's Report for 1989 **5**
The Waste Market **7**
Minimizing Hazardous Waste **7**
System Development Planning **8**
Facility Design **9**
Waste Management Programs **10**
Public Consultation and Information **12**

FINANCIAL STATEMENTS

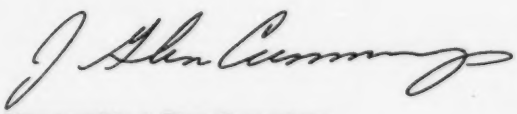
F1 Contents
F2 Report of the Provincial Auditor's Office
F2 Committee Reports
F3 Balance Sheet
F4 Statement of Operations and Deficit
F5 Statement of Changes in Cash Resources
F6 Notes to the Financial Statements

LETTER OF TRANSMITTAL

The Honourable Dr. George Johnson
Lieutenant Governor
of the Province of Manitoba

May it please your Honour:

I have the honour of presenting to you the Annual Report for the Manitoba Hazardous Waste Management Corporation for the year ended December 31, 1989.



Honourable J. Glen Cummings
Minister responsible for the
Manitoba Hazardous Waste Management
Corporation

ENVIRONMENTAL POLICY STATEMENT

The Manitoba Hazardous Waste Management Corporation is committed to the preservation and enhancement of environmental quality through the development of a hazardous waste management system for the province. This undertaking is a fundamental element needed to achieve the broader objectives of universal environmental stewardship and sustainable economic development within Manitoba.

To reach these goals, the Corporation uses the following policy objectives as the basis for the performance of its work.

1. Minimize waste generation and maximize resource conservation through the promotion and facilitation of waste reduction, re-use, recycling and recovery at source.
2. Ensure that all activities involved with the handling, storage, treatment and disposal of waste and residue products are consistent with the protection of public health and environmental quality.
3. Earn public approval of the system and its components through open and responsive communication and through public participation in all aspects of their development and operation.
4. Encourage economic development through the provision of a cost-effective waste management system and the enhancement of environmentally based enterprises.
5. Foster and promote contemporary environmental values and policies through public education and research, as well as by example.
6. Assume, in perpetuity, the environmental stewardship of wastes and residues placed in the Corporation's custody.

CORPORATE PROFILE

The Manitoba Hazardous Waste Management Corporation is a commercial Crown corporation established to develop and operate a hazardous waste management system for Manitoba. Its mandate is to provide for the handling of provincially-regulated hazardous wastes from their source through to their treatment and disposal, consistent with high standards of public health, safety and environmental quality.

CHAIRMAN'S MESSAGE

I am pleased to introduce this third Annual Report of the Manitoba Hazardous Waste Management Corporation.

The competent management of hazardous waste represents a major challenge for our society, one that virtually every jurisdiction in North America is wrestling with. Failure to address this issue in a comprehensive manner will not only see the continued decline in our common environmental resources, but will increasingly result in our reacting to critical situations stemming from our traditional practices.

Every consumer in North America produces an estimated one tonne per year of hazardous waste either directly by discarding unwanted goods, or indirectly from the production of the products that we demand. The traditional view that it is someone else's problem and should be solved elsewhere is not valid. We must accept it as a collective problem in which we all have a part and are responsible for solving. Furthermore, we must recognize that the risks involved are also collective in nature. The result of not dealing with it is the accumulation of contaminants in the environment over time, something that has a long term impact on our well being and quality of life. Acceptance of the solutions available, along with the small direct risks this may entail, is much better than continuing to ignore the problem based on fear of the solutions.

"... a collective problem in which we all have a part and are responsible for solving."

Manitoba has taken an anticipatory approach to this issue through the work of the Corporation. The Corporation's development of a planned, integrated hazardous waste management system offers the required tools to deal with the issue. It correctly places a priority on dealing with waste at source, while recognizing the need for competent treatment facilities that do not detract from this priority. The approach to the siting of these facilities based on high environmental standards and their acceptance by the public recognizes their sensitivity in both environmental and social terms.

I am pleased with the excellent progress made toward developing this system, particularly in comparison with that seen elsewhere. The province's investment in this development, while significant, is small relative to that spent, often with little result, in other jurisdictions. Furthermore, it is a fraction of the costs associated with correcting the damage resulting from ignoring the problem. From a business perspective, it will result in a valuable public asset and potentially produce investment opportunities for others as the system becomes operational.

I must express the gratitude of the Directors and staff of the Corporation to my predecessor, Mr. R. L. (Nick) Carter. As the founding Chairman, he provided the leadership necessary to establish the Corporation and set it on the path being taken. In particular, the innovative and human qualities reflected in the Corporation's approach are a direct result of Nick Carter's influence and commitment.

For the future, and particularly 1990, I look forward to the culmination of the Corporation's development work in the form of completing the location and configuration aspects of the system's major facilities. Successfully accomplishing this will be a tribute to all Manitobans in dealing with a major environmental issue and serve as a model for others.

Donald E. Vernon, C.A.
Chairman, Board of Directors

PRESIDENT'S REPORT FOR 1989

The major focus of the Corporation's activities in 1989 has been the continued implementation of the general plan for a provincial hazardous waste management system. At the same time, the provision of public and commercial waste management services has been steadily expanded in response to the increasing demand.

The planning work undertaken during the year has allowed the concept of a hazardous waste management system to be defined in concrete terms. This is based on the results of a comprehensive waste market study completed during the year. While showing that Manitobans produce a larger than previously estimated quantity of regulated hazardous waste, the study highlighted the importance of source based management as the area of highest priority. It also allowed the sizing and technical requirements of treatment facilities to be defined.

An important conclusion of this work has been the need to integrate the various operational components of the system, from source through to treatment and final disposal. This integration is important to ensure that the system be comprehensive and equitable, while maintaining its economic viability and not detracting from the first priority of minimizing waste generated. It also provides the critical element of control over the management of these materials, something that is of particular concern to the public.

The basic design work on the major facilities was largely completed during the year. The Corporation has initiated environmental impact assessment studies and the business planning required for the facility development. This offers to Manitobans a clear picture of what is being proposed and facilitates their involvement in its continued development.

The identification of siting options for these facilities was also completed along with initiation of the voluntary site selection process. These options are the separate development of a Winnipeg storage/transfer facility and a central treatment facility elsewhere in southern Manitoba, or their combination in or near Winnipeg. The central treatment facility represents a legitimate opportunity to diversify basic industrial infrastructure away from urban areas without an undue economic premium. Conversely, the development of a combined facility in an urban area allows the management of waste to occur as close to source as possible, something that may be perceived as more appropriate.

"...the importance of source based management as the area of highest priority."

In either event, these facilities must be developed to a standard of safety and environmental protection equal or superior to any industrial development. It is the Corporation's responsibility and commitment to demonstrate this to both the regulator and the public. For this reason, the requirement of a full environmental impact assessment being applied to both facilities is fundamental and will be a major focus of the Corporation's work over the next year.

The voluntary siting process was initiated at a community level early in the year. During 1989, more than forty communities expressed interest in the development. Corporation staff devoted a significant amount of time and effort to work jointly with them in investigating the potential on a site specific basis. Much of this has involved direct communication with the local public on the issue and the proposed developments. The generally positive response and the amount of effort that people within these communities have put forward are firm indications that communities are looking for solutions. This has reinforced our belief that granting them a significant role in the development process will provide the necessary components for understanding and acceptance.

President's Report continued

By year end, the Corporation's detailed development work had reached the stage of documenting the overall system plan and the major facility requirements. The completion and filing of this documentation with the Department of Environment in the form of a project proposal early in 1990 represents a major milestone in the work. Its consideration, in both a public and regulatory context, will allow the Corporation to proceed with the completion of design, site evaluation and environmental assessment work during 1990. Depending on the timing of final approvals, facility construction could begin in 1991.

In conclusion, I believe the Corporation enters 1990 with a firm basis for developing a comprehensive and cost effective capability to manage hazardous waste in the province. Our progress to date and our success in completing this task will be based on the maturity and willingness of Manitobans to accept the solutions offered. The response of many community leaders and individual citizens who have shown the courage and foresight to rationally consider the issue over the past year proves that this is achievable. For our part, the management and staff of the Corporation recognize that we must continue to earn this trust.

R.J. Cooke
President and Chief Executive Officer

BOARD OF DIRECTORS

Chairman:
Mr. Donald E. Vernon

Past Chairman:
Mr. R.L. Carter

Vice-Chairman:
Mr. N. Ahmad

Directors for two years, effective March 18, 1987:
Dr. A. Chow
Ms. L. Leader

Directors for two years, effective September 1, 1988:
Mr. H. MacKay
Mr. G. Gilmour
Mr. H. Gilmour
Ms. B. Hojnocki
Ms. S. Mar
Ms. R. Patterson
Mr. B. Sandercock

Directors for two years, effective February 21, 1990:
Ms. S. Burchard
Dr. A. Chow
Mr. T. Edwards

HEAD OFFICE

226-530 Century Street
Winnipeg, Manitoba
R3H 0Y4

MANAGEMENT

Chief Executive Officer:
Mr. R.J. Cooke

Secretary-Treasurer:
Ms. C. Kaus

Manager, System Development:
Mr. E. Yee

AUDITOR

Provincial Auditor

THE WASTE MARKET

Manitobans create about 180,000 tonnes of hazardous waste annually as identified in the Corporation's waste market characterization studies. Over 80% of this is produced within the Winnipeg region and comes from a wide range of industrial, institutional and consumer sources. Most of this material continues to be released into the environment and contributes, over time, to the decline in quality of our common environmental resources.

An estimated 87% of this waste can be eliminated or treated at its sources. Of the remaining 23,000 tonnes of material that cannot be managed at source, an estimated 14,000 tonnes of inorganic and 9,000 tonnes of organic material require off-site management. The inorganic material can be readily treated using physical and chemical technologies suitable for installation in a central treatment facility within the province. Much of the organic material can be managed either by application of resource recovery techniques such as recycling or by use as fuel. A relatively small amount of it will require incineration in dedicated hazardous waste facilities. At present, most organic treatment options are only available elsewhere.

MINIMIZING HAZARDOUS WASTE

The primary thrust of responsible waste management, from an economic and practical point of view, should be waste minimization. This includes, listed by priority, the "4 R's" of Reduction, Reuse, Recycling, and Recovery.

Usually, reduction of waste can be accomplished quickly and cheaply by segregating the hazardous components from a larger non-hazardous waste stream. It can also be accomplished by small changes in a process, better control of the operation and careful selection of raw materials. A segregated waste can sometimes be re-used directly by the company or, perhaps, another company. Sometimes the segregated waste can be recycled through a cleaning process. If none of the previous options are viable, then recovery of energy from the waste may be a suitable alternative.

"...usually, reduction of waste can be accomplished quickly and cheaply."

The next step for investigation should be on-site treatment of waste. Some large waste streams can be treated economically on-site to a point, either that they are no longer hazardous, or that there is only a small quantity of hazardous residue. Finally, and only after all other options have been explored, the material can be sent off-site for competent treatment and disposal of treated residues.

In recognition of the priority that any hazardous waste management system should attach to source based management, the Corporation provides information and technical help to waste generators. During 1989, such assistance was provided to more than 100 companies. This included seminars, waste audits, technical information on waste characterization and proper management methods, and assistance with interpreting the regulations. Where applicable, Corporation staff provided information on treatment technologies and direct advice on specific applications.

SYSTEM DEVELOPMENT PLANNING

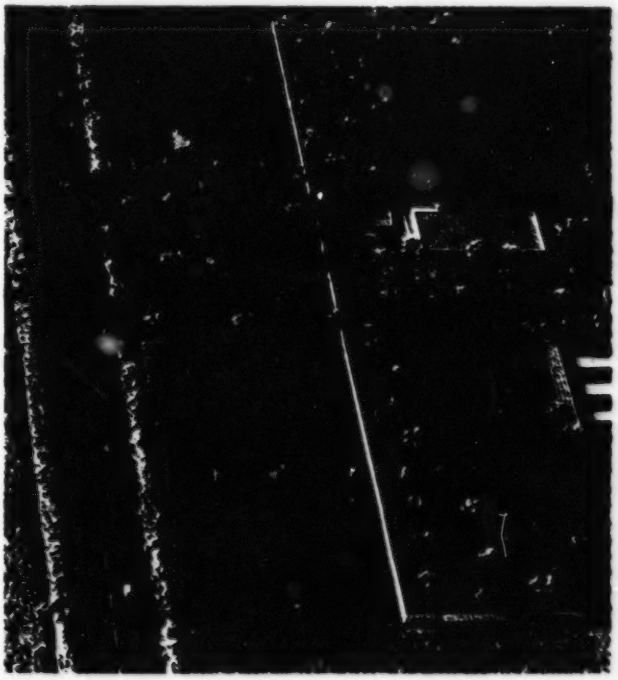
A comprehensive operational hazardous waste management system must be comprised of several mutually supporting components:

- **the capability to manage wastes at their source** so that waste generation is limited and the amount requiring off-site treatment is minimized,
- **collection infrastructure** on a province-wide basis to collect, transport, store, consolidate and analyze waste requiring off-site management,
- **treatment and disposal facilities** for those wastes that cannot be managed at source so that their potentially hazardous properties are eliminated or minimized, and
- **assurance capability** with full disclosure of operational and environmental monitoring information with a perpetual care philosophy.

The development of operational components must be accompanied by sustained public acceptance and public policy support of their need as part of the solution to a collective environmental problem. Similarly, the existence and enforcement of appropriate regulations for these materials and their management is necessary.

Besides the priority attached to source based management, the specific off-site system components required in Manitoba have been identified as:

- **a regional collection capability** involving small depots that could be developed in association with municipal waste management facilities and served by a dedicated transportation system,
- **a storage/transfer facility,** located in or near Winnipeg, and
- **a central treatment facility** located either in combination with the storage/transfer facility or away from Winnipeg in southern Manitoba.



Model of the central treatment facility being proposed for Manitoba.

FACILITY DESIGN

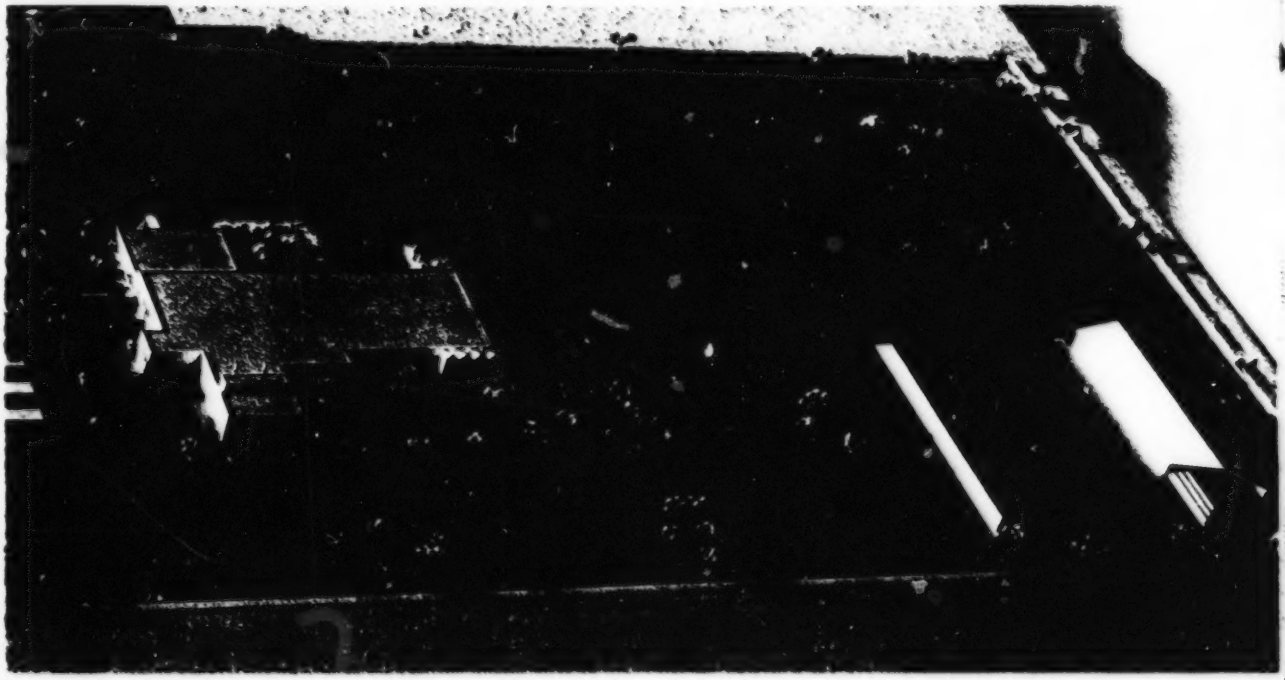
Based on the waste market assessment, technology review and other studies, the preliminary designs for the central treatment and storage/transfer facilities were completed in 1989.

The central treatment facility will be a physical and chemical treatment plant designed to treat inorganic wastes such as spent acids and metal finishing cyanide wastes. It will also treat common household materials including cleaners and disinfectants. About 14 hectares will be developed for the processing building, administration building and engineered landfill cells.

All the waste handling will take place within the processing building. The 6600 square metre building will include facilities for the receipt, sampling, analysis, temporary storage, and processing of wastes. In addition to operating safeguards which will be addressed in the plant design, an environmental monitoring program including air, water, groundwater, soils and vegetation components will be developed.

The storage/transfer facility will provide accumulation, storage, and bulking capability mainly for organic waste to be exported to treatment facilities in other jurisdictions. It will have longer term storage for materials for which no treatment capability is, at present, accessible. The facility may also provide volume reduction and recycling capabilities. It will occupy a 4 hectare site and include a main operations and storage building, a tank farm and a PCB storage facility.

The combination of the two major facilities at the same location would allow the merger of the two operations and would take advantage of common infrastructure such as the high level of environmental protection and monitoring required of either facility.

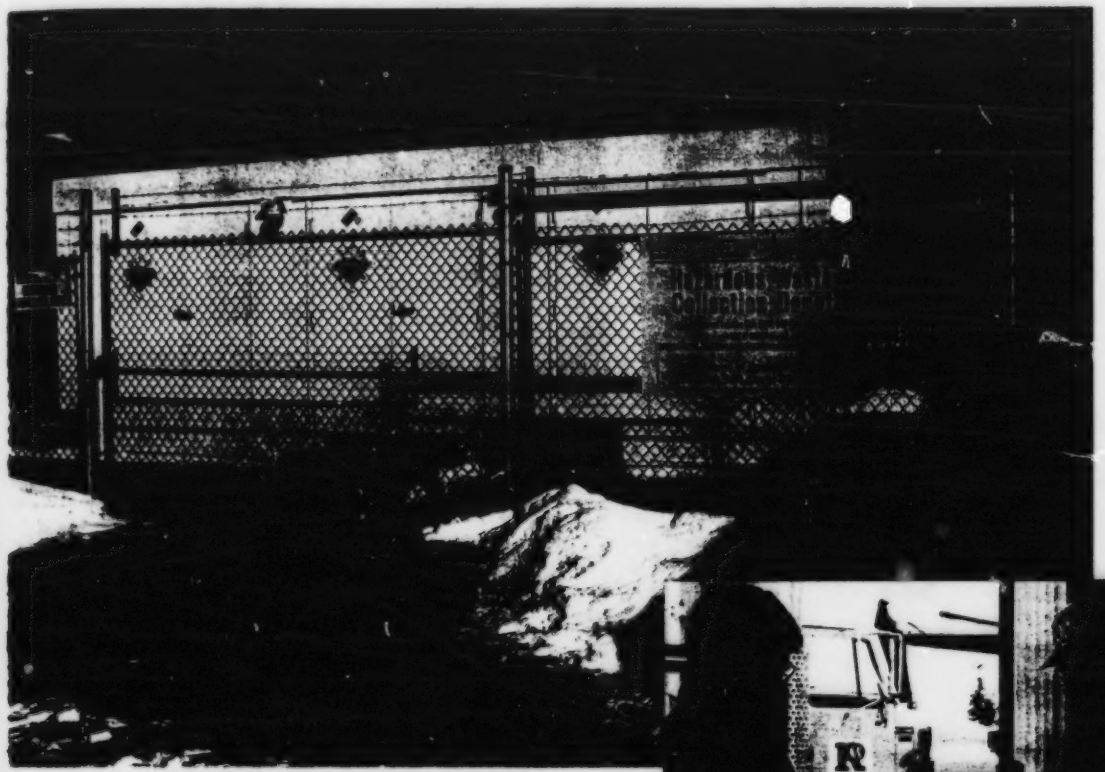


WASTE MANAGEMENT PROGRAMS

Rossburn pesticide container pilot project, July, 1989.

During the year, the Corporation maintained and expanded its operational public service and commercial waste management activities. It provided commercial services on an as requested basis to a range of institutional and private customers. Services included handling and storing PCB contaminated material in Winnipeg and arranging for the disposal of a variety of chemical wastes at pre-qualified facilities in other provinces and in the United States.

Several development studies were also undertaken on issues such as the evaluation of infrastructure requirements for the collection of CFC's, assessment of mobile volume reduction capability for aqueous wastes, and the management of pesticide containers. The latter involved completion



Manitoba's first year round household hazardous waste collection depot.

Elie Household Hazardous Waste Day, June, 1989.

of a research project at the Natural Resources Institute and a field pilot project to evaluate the scope of the problem and the requirements for separation, decontamination and recycling of container material.

The Corporation continued its public household hazardous waste activities with the provision of waste management services for a two day collection event in Winnipeg. In addition, community sponsored collections were held in Arborg, Elie, Lundar, Carman, Rossburn and Hamiota. A significant increase in interest respecting this program occurred in 1989, a trend that is continuing.

In response to this demand, Manitoba's first year-round household hazardous waste collection depot was officially opened in December after licensing by the Department of Environment. The depot, located adjacent to the W.M. Ward Provincial Services Lab at 745 Logan Avenue in Winnipeg, allows weekly drop off capability for householders. It also provides short term storage for small quantities collected on a commercial basis. While serving an immediate need, the facility also serves as a prototype for the depots that could potentially be developed around the province as part of the regional collection system. The concept has also attracted the interest of other jurisdictions.

PUBLIC CONSULTATION AND INFORMATION

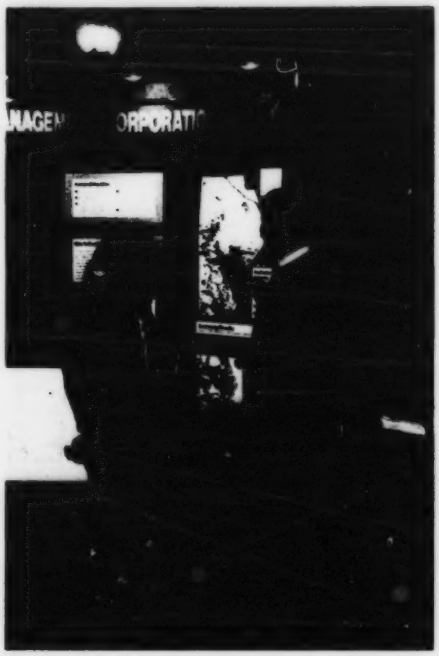
The Corporation based its approach to hazardous waste management on the need to involve and inform the public about the issue and the solutions available. This is critical to successfully addressing the problem. Placing a high priority on this area has required the direct involvement of all the staff and Directors.

The emphasis on public information has three basic objectives:

"... obtaining a public consensus on the solutions and their implementation."

- development of an awareness that we are all part of the hazardous waste issue as well as being part of the solution.
- identifying the issues in terms of public priorities and questions that need to be answered, and
- obtaining a public consensus on the solutions and their implementation.

A major focus of the public consultation activities in 1989 has been at the community level in relation to the development of the system's facilities. During the year some forty municipalities, singly or in groups, have contacted the Corporation for more information on its activities and on the site selection process. Thirty community sponsored open houses and public meetings comprised the initial contact with these areas. Depending on the response, further public discussions of various forms were held.



Open houses proved popular for exchanging information with the public.

Several community advisory committees were formed by local municipalities to work jointly with the Corporation to investigate the project and their areas. The process has seen several communities withdraw, a number continue to work on site specific evaluations, and others that have asked to be considered in the future.

But some were more interested in the doughnuts.

The Corporation's staff have spoken to a wide range of groups throughout the province that were interested in the issue. Over fifty such speaking engagements involving industry associations, professional groups, public interest groups, school and university classes, service organizations and technical conferences were undertaken during the year. In addition, staff participated in more than 100 municipal council presentations, open houses, public meetings, community advisory committee meetings and other forums.

As listed at the end of this report, these public information activities required the development and distribution of a variety of printed material on the issue and the Corporation's activities. An environmental education curriculum resource document on hazardous waste, produced in both English and French during the year, has been particularly popular.

The Corporation also operates a publicly accessible resource centre in its Winnipeg office. Members of the public, educators, industry and government agencies have used this service. Materials include technical resource documents, reference materials, books, journals and video tapes about hazardous waste management, waste treatment technologies and environmental and social impact issues.

PUBLIC INFORMATION PRODUCED DURING 1989 AND DISTRIBUTED THROUGH THE CORPORATION

Reports

Manitoba Hazardous Waste Management Corporation Second Annual Report 1988.

Report on the Site Selection Process and Public Response Through the November, 1988, Open Houses.

Report of the Third Household Hazardous Waste Days, Winnipeg, 1988.

Pilot Pesticide Container and Residue Management Project.

Hazardous Waste Market Characterization Study for Manitoba.

Pamphlets, Newsletters and Educational Material

Generator Services Index, February, 1989.

Que sont les . . . déchets domestiques dangereux?

Proposed Central Treatment Facility.

Rural Municipality of Rossburn Areas of Greatest Interest.

Rural Municipality of Hamiota Areas of Greatest Interest.

Waste Management Resources (bookmark)

The Waste Paper, March, 1989.

The Waste Paper, Summer, 1989.

Hazardous Waste Environmental Education Resource Book for Manitoba Teachers. Suggested Activities K-12.

Trousse Pédagogique d'éducation sur les déchets sangereus dans l'environnement, destinnée auz enseignants du Manitoba: activités recommandeés pour les enfants de la maternelle à la 12e année.

Fact Sheets

Central Treatment Facility - Design Basis.

Hazardous Waste Management Facility: Waste Types to be Treated.

Typical Waste Treatment Process.

Physical/Chemical Treatment Process.

Immobilization: The Stabilization/ Solidification Process.

Landfill Discussion.

Health Concerns and Hazardous Wastes.

Responses to General Questions Posed by Communities at Public Open Houses.

Studies to Assist in the Selection of a Suitable Site for a Hazardous Waste Management Facility.

Technical Documents

M.M. Dillon Limited. **Manitoba Hazardous Waste Management Corporation Transportation Risk Assessment, Part 1 - Data Collection and Model Development.** Prepared for the Hazardous Waste Management Corporation.

Reid Crowther & Partners Ltd. **System Scope and Technology Study Part III - Conceptual System Design.** Prepared for the Manitoba Hazardous Waste Management Corporation.

Technical Papers

A. Richards, **Managing A Site Selection Process to Minimize Conflict,** Canadian Environmental Mediation Newsletter, Vol. 4, No. 1, 1989, Conflict Management Resources, Osgood Hall Law School, York University, Toronto.

R.J. Cooke and A. Richards, **A Co-Management Approach to Developing Environmentally Sensitive Projects,** Proceedings of the Environment and the Economy - Partners in the Future Conference, Winnipeg, May 1989.

R.J. Cooke, **Planning a Hazardous Waste Management System,** Proceedings of Air and Waste Management Association Speciality Conference on Hazardous Waste Management in the 90's, Banff, October, 1989.

E. Kucera, **Using SPANS to Site a Hazardous Waste Treatment Facility,** First International SPANS Users Conference, Annapolis, U.S.A., November, 1989.

FINANCIAL STATEMENTS

For the year ended December 31, 1989

CONTENTS

F2 Report of the Provincial Auditor's Office

F2 Committee Reports

F3 Balance Sheet

F4 Statement of Operations and Deficit

F5 Statement of Changes in Cash Resources

F6 Notes to the Financial Statements

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Manitoba Hazardous Waste Management Corporation as at December 31, 1989 and the statements of operations and deficit, and changes in cash resources for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of Manitoba Hazardous Waste Management Corporation as at December 31, 1989 and the results of its operations and the changes in its cash resources for the year then ended in accordance with the accounting policies described in note 2 to the financial statements applied, after giving retroactive effect to the change in the method of accounting for the system development costs as explained in note 3, on a basis consistent with that of the preceding year.

F.H. Jackson, CA,
Provincial Auditor

April 12, 1990
Winnipeg, Manitoba

COMMITTEE REPORTS

Report of the Chairman of the Audit Committee

On behalf of the audit committee, whose members I thank for their time and effort, I am pleased to report that the audit committee met three times during the year under review. The committee met to carry out its function of directing the financial and management audit of the Corporation's 1989 activities and reviewed the financial and administrative controls. The committee also revised its terms of reference and reviewed preliminary control procedures for the commercial operations of the Corporation.

G.H. MacKay

Report of the Chairman of the Personnel Committee

In 1989, the newly formed committee reviewed the salary scales of the Corporation, made recommendations concerning pay scales and classifications to the Board of Directors, and reviewed the Corporation's personnel policies.

I would like to thank the personnel committee members and staff for joining the committee and assisting the Corporation in the formation of its personnel policies and management of its human resources.

N. Ahmad

BALANCE SHEET As at December 31, 1989 (with 1988 figures restated for comparison)

ASSETS	1989	1988
CURRENT		
Cash	$ 418,714	$ 503,295
Accounts receivable	67,644	6,150
Prepaid expenses	6,634	5,750
Inventory, at cost	6,284	5,898
Total current assets	499,276	521,093
FIXED ASSETS (Note 4)		
Vehicle	11,886	16,085
SYSTEM DEVELOPMENT (Note 2B)	3,224,352	1,471,789
TOTAL ASSETS	$3,735,514	$2,008,967
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 264,228	$ 300,934
Unearned revenue	210	
Total current liabilities	264,438	300,934
LONG-TERM		
Advances from the Province of Manitoba (Note 5)	1,350,000	—
Unearned revenue	630	—
Total long-term liabilities	1,350,630	—
EQUITY		
Share Capital (Note 5)	2,500,000	1,900,000
Authorized 350,000 shares for a maximum consideration of $35,000,000		
Issued and fully paid – 25,000 shares		
Deficit	379,554	191,967
TOTAL LIABILITIES AND EQUITY	$3,735,514	$2,008,967

The accompanying notes are an integral part of the financial statements.

D.E. Vernon
Chairman

G.H. MacKay
Chairman, Audit Committee

STATEMENT OF OPERATIONS AND DEFICIT

Year Ended December 31, 1989 (with 1988 figures restated for comparison)

	1989	1988
PUBLIC WASTE MANAGEMENT PROGRAMS (Note 6)		
Contributions from other organizations	($9,940)	$ —
General and administrative expenses		
Wages and benefits	40,657	33,285
Indirect expenses	15,313	—
Direct operating expenses	84,921	99,535
Net public waste management program expenditures	130,951	132,820
OPERATIONAL WASTE MANAGEMENT PROGRAMS (Note 7)		
Revenues		
PCB management	(29,750)	(10,940)
Hazardous waste management	(58,144)	—
General and administrative expenses		
Wages and benefits	57,832	8,322
Indirect expenses	45,114	—
Direct operating expenses	41,584	2,031
Net operational waste management program expenditures (surplus)	56,636	(587)
NET LOSS FOR THE YEAR	187,587	132,233
DEFICIT, BEGINNING OF YEAR	191,967	59,734
DEFICIT, END OF YEAR	$ 379,554	$ 191,967

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN CASH RESOURCES

As at December 31, 1989 (with 1988 figures restated for comparison)

	1989	1988
CASH PROVIDED BY (USED FOR)		
Operating Activities		
Loss from Operations	($187,587)	($132,233)
Items not requiring cash outflows		
Depreciation	5,094	—
	(182,493)	(132,233)
CHANGES IN WORKING CAPITAL		
Accounts receivable	(61,494)	(6,150)
Inventory, at cost	(386)	(5,898)
Prepaid expenses	(884)	(2,217)
Accounts payable	(39,755)	183,830
Unearned revenue	210	—
Wages payable	3,049	—
	(99,260)	169,565
	(281,753)	37,332
CAPITAL EXPENDITURES		
Vehicle	(895)	(16,085)
System Development (Note 2B)	(1,752,563)	(1,231,210)
	(2,035,211)	(1,209,963)
FINANCING ACTIVITIES		
Issuance of share capital	600,000	1,569,645
Advance from the Province of Manitoba	1,350,000	—
Unearned revenue	630	—
CASH (REQUIRED) PROVIDED	(84,581)	359,682
CASH, BEGINNING OF YEAR	503,295	143,613
CASH, END OF YEAR	$ 418,714	$ 503,295

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 1989

1. STATUS OF THE CORPORATION

The Manitoba Hazardous Waste Management Corporation was established as a Crown corporation under the Manitoba Hazardous Waste Management Corporation Act S.M. 1986, C.10. Under the provisions of the Act, the Corporation will establish and operate a hazardous waste management system which will safely dispose of hazardous waste in accordance with regulations and standards prescribed by the Province of Manitoba. The Corporation also promotes protection of health and safety and the preservation of the environment.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Reporting

The financial statements have been prepared in accordance with generally accepted accounting principles with the exception of 2(d) and 2(e).

b) Amortization of System Development

System development costs, including related general and administrative costs, are capitalized to reflect the Government's investment in the development of the Province's hazardous waste management system. The investment will be amortized over the useful economic life of the facility when it becomes operational.

c) Fixed Assets

Fixed assets are recorded at cost. Depreciation is computed on the declining balance to amortize the cost over the estimated useful life.

d) Pension Liability and Expense

The Manitoba Hazardous Waste Management Corporation has requested that the Civil Service Superannuation Act be amended to include the Corporation as an employer under section 6(3) entitled to make contributions to the Civil Service Superannuation Fund matching the employee's contributions. An actuarial determination is not available as to the extent of any unfunded liability.

e) Services Provided by the Government of Manitoba

The cost of services provided by the Government of the Province of Manitoba as outlined in Note 9 are not reflected in these financial statements.

3. CHANGE IN ACCOUNTING POLICY

During 1989, the Corporation changed the basis of reporting the costs related to the development of the hazardous waste management system. A total investment of $3,224,352 of which $1,471,789 had previously been expensed in the statement of operations and deficit has been included in total assets. The change, which has been retroactively applied, has resulted in a decrease of $1,231,210 in the deficit as at December 31, 1988 as previously reported (1987 - $240,579).

4. FIXED ASSETS

	Cost	Accumulated Depreciation	1989 Net	1988 Net
Vehicle	$16,980	5,094	$11,886	$16,085

The depreciation expense of $5,094 is allocated to operational waste management programs ($3,413) and public waste management programs ($1,681).

5. CAPITAL AUTHORITY

The Government of the Province of Manitoba has authorized the following amounts for funding the Corporation's activities:

Authority	Amount Authorized	Amount Used to Purchase Shares	Interest Bearing Advances
The Loan Act(2), 1986	$2,500,000	$2,500,000	
The Loan Act, 1988	$2,200,000		$1,350,000
The Loan Act, 1989	$2,100,000		

The Corporation was originally established without share capital with funding provided by interest bearing advances from the Government of the Province of Manitoba. Amendments to the Manitoba Hazardous Waste Management Corporation Act on July 17, 1987 provided for up to 350,000 shares to be issued for a maximum consideration of $35,000,000. On February 4, 1988, by Order-in-Council 111/88, the outstanding interest bearing advances were retroactively converted into shares held by the Minister of Finance of Manitoba. Under Order-in-Council 111/88 the Corporation issued share certificates to the Minister of Finance in exchange for equity financing.

Under Order-in-Council 986/89 of August 17, 1989, the Corporation receives interest bearing advances which bear interest at rates equivalent to the bank prime lending rate. The advances are repayable at any time in whole or in part at the option of the Lieutenant Governor in Council.

6. PUBLIC WASTE MANAGEMENT PROGRAMS

Waste disposal and related expenses were incurred by the Corporation on assuming responsibility for funding public services previously provided by the Department of Environment.

The Corporation received a contribution of $9,904 ($3,904 from the Household Hazardous Waste Committee and $6,000 from the Department of Environment) for the disposal of Winnipeg household hazardous waste material.

7. OPERATIONAL WASTE MANAGEMENT PROGRAMS

The Corporation provides waste management services related to PCB waste management, general waste brokerage and services related to the collection and disposal of pesticide residues.

8. INCOME TAX

The Corporation is owned by the Government of the Province of Manitoba and is therefore exempt from income tax.

9. LEASES

The Corporation is committed to a five-year lease with A&L Realty Limited for office space at 530 Century Street. The remaining lease obligation is as follows:

1990	$69,455
1991	$69,455
1992	$23,152

10. SERVICES PROVIDED BY THE GOVERNMENT OF THE PROVINCE OF MANITOBA

The Government of Manitoba provides certain administrative, legal and management services at no charge to the Corporation. The cost of these services is estimated to be approximately $5,000. (1988 - $25,000).

11. ECONOMIC DEPENDENCE

The Corporation is currently mainly economically dependent on the Government of the Province of Manitoba.

12. IMPUTED INTEREST COST INFORMATION

The following information is supplied in accordance with the request of the Minister of Finance.

The annual borrowing cost to the Government for the average investment of $2,200,000 in share capital at the weighted average rate of 10.05% paid by the Government in respect of its 1989 debt is $221,110.

13. CASH HELD ON BEHALF OF CORPORATION CLIENTS

The Corporation holds $6,940 on behalf of clients in lieu of clients providing irrevocable letters of guarantee to cover the future handling, treatment and disposal costs of PCB contaminated material. This amount has not been reflected in these financial statements.

14. COMPARATIVE FIGURES

Certain of the 1988 figures have been reclassified to conform to the 1989 presentation.

RECYCLED PAPER

The Manitoba Hazardous Waste Management Corporation has, from its beginning, sought out and used paper containing as high a recycled content as reasonably possible given source, price and quality. At present, there are few standards controlling claims of recycled content for paper sold in Canada.

Recycled papers can contain a combination of materials such as: post-consumer waste recovered from users, paper waste from envelope and other paper product manufacturers, cotton from clothing manufacturers and used cotton. Since all may be claimed to be "recycled" or to "contain recycled fibres", it is important for the consumer to be aware of the precise recycled material content of the paper being purchased.

Mill broke is the waste generated within a paper mill. All mills re-use their broke. Converter waste is made up of fragments of finished products of a manufacturing process including post-commercial waste as well as envelope clippings and printers' trimmings.

This annual report is printed on paper containing a minimum of 50% pre-consumer recycled waste. On average, over 90% of this waste is "converter waste" with the rest being "mill broke".

EN FRANÇAIS

La Corporation Manitobaine de gestion des déchets dangereux a fait traduire plusieurs de ses decuments en français. Toute personne désirant que d'autres documents soient publiés en français est priée de se mettre en rapport avec la Corporation.